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MARKET ACCESS SECRETARIAT
Global Analysis Report

Innovation Series
New Products Containing Pulse Ingredients
In China

Novembre 2016

EXECUTIVE SUMMARY

- With a population of 1.35 billion and growing, China continues to be import dependant on several sectors of food and food products and the evolving pulse sectors are no exception. However, with its growing middle class, increasing production costs and expanding palate, the demand for pulses and pulse products is hardly static as a result of shifting demands and a rapidly changing society.
- China's market for new products containing pulse ingredients has seen an overall positive trend in number of launches over the course of the January 2005 to December 2015 review period.
- Pulses are incorporated within all of Mintel's food product categories, but the top four (snacks, bakery, meals and centres, and breakfast cereals) make up a combined 60% of the total launches, perhaps illustrating the more limited use of pulse ingredients in China compared to other markets, such as North America.
- The most frequently listed pulse ingredients among the new launches were those already common to Chinese cuisine: kidney/red bean, black bean, pea flour and white bean.
- Of the total new product releases, 44% were completely new products introduced into the market, followed by new varieties and range extensions (41%). This suggests a growing interest in pulse-related products.
- "No additives/preservatives" was the top claim used across the new launches, occurring 425 times over the review period. This indicates that Chinese consumers are becoming more health conscious, driving the trend toward more natural and less processed products.

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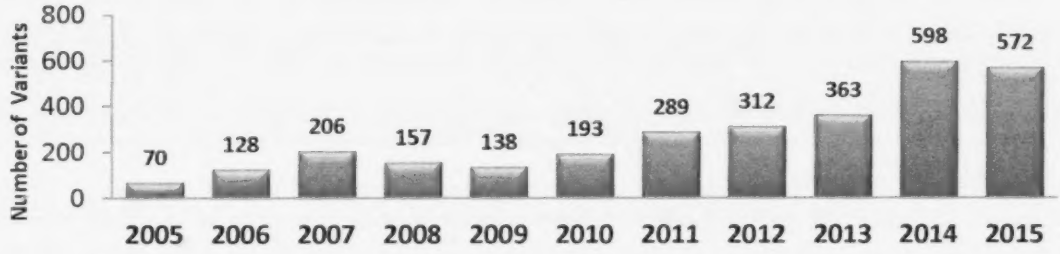
NEW PRODUCT LAUNCH ANALYSIS

From January 1, 2005 to December 31, 2015, a total of 3,026 food products were launched containing pulse ingredients in China. The Chinese market has great potential for pulses and pulses products and is well-positioned to continue this trend beyond 2015 (*See figure 1*).

Figure 1: New Product Releases Containing Pulse Ingredients in China
January 2005 – December 2015



Product Categories

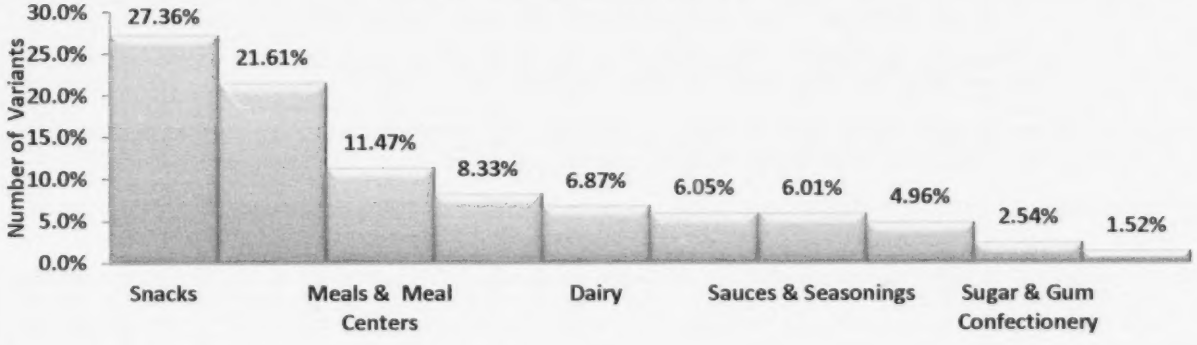
The top five product categories incorporating pulse ingredients over the period included snacks (27.36% of total launches), bakery (21.61%), meals and meal centres (11.47%), breakfast cereals (8.33%) and dairy (6.87%) (*See figure 2*).

The snacks category is the most active category overall, followed by bakery products. The side dishes category also recorded a significant gain albeit from a small base, growing from 3 to 15 products from 2014 to 2015 (*See figure 3*).

Figure 4 depicts the top 10 subcategories for new food products using pulse ingredients. Cakes, pastries and sweet goods (10.74 % of total launches) and hot cereals (8.16%) are the top subcategories over the period (with 2 other categories tied for third place, each representing 7.87% of launches followed by prepared meals in fifth place with 7.47%.

Among the top 10 subcategories, prepared meals and instant noodles saw a positive number of new launches in 2015 over 2014 (+6 and +7 respectively) (*See figure 5*).

Figure 2: Top 10 Pulse Ingredients in New Products by Category (%)
January 2004 – December 2015

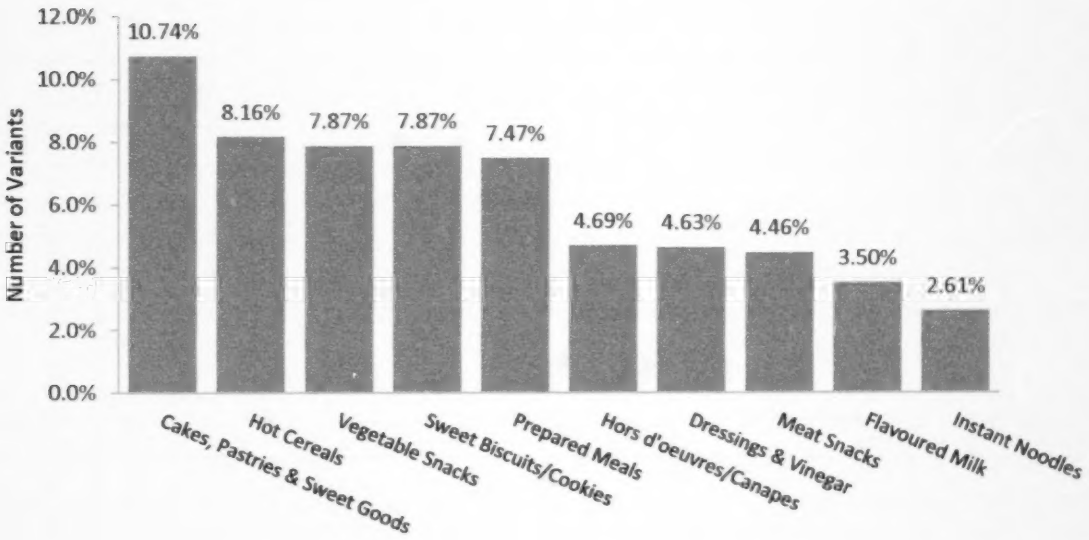


Source for both: *Mintel Global New Products Database, 2016*

Figure 3: Top 10 Pulse Ingredients in New Products by Category January 2004 – December 2015

Category	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Snacks	7	21	35	30	29	54	76	84	105	196	191	828
Bakery	10	42	53	46	31	43	55	61	62	134	117	654
Meals & Meal Centers	17	10	31	19	17	18	33	39	31	57	75	347
Breakfast Cereals	18	28	19	5	4	8	24	27	43	45	31	252
Dairy	1	4	13	9	20	22	20	27	31	34	27	208
Desserts & Ice Cream	7	6	17	19	13	19	18	15	19	32	18	183
Sauces & Seasonings	4	2	13	9	6	6	25	24	27	42	24	182
Baby Food	0	1	0	2	7	6	17	16	24	32	45	150
Sugar & Gum Confectionery	0	3	9	6	3	7	10	8	8	16	7	77
Side Dishes	2	4	5	3	3	2	5	2	2	3	15	46
Total	**70**	**128**	**206**	**157**	**138**	**193**	**289**	**312**	**363**	**598**	**572**	**3,026**

Figure 4: Top 10 Pulse Ingredients in New Products by Subcategory (%) January 2004 – December 2015



Source for both: *Mintel Global New Products Database, 2016*

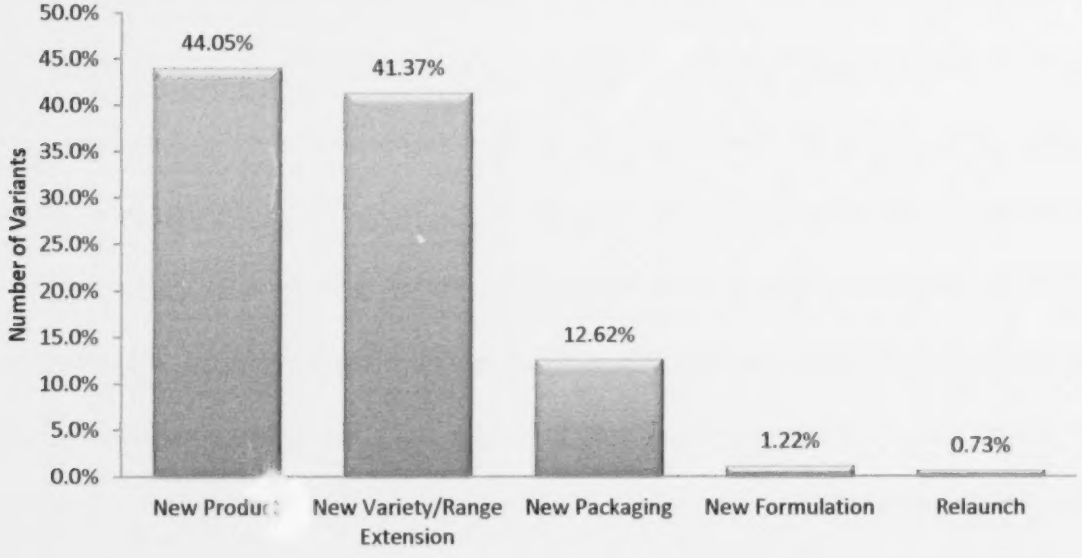
Figure 5: Top 10 Pulse Ingredients in New Products by Subcategory
January 2004 – December 2015

Sub-Category	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Cakes, Pastries & Sweet Goods	4	23	26	23	13	16	26	36	32	70	56	**325**
Hot Cereals	16	27	19	5	4	8	24	27	42	45	30	**247**
Sweet Biscuits/Cookies	5	10	19	14	11	17	21	16	22	55	48	**238**
Vegetable Snacks	0	3	7	3	7	15	30	36	29	60	48	**238**
Prepared Meals	16	9	18	12	12	16	21	27	25	32	38	**226**
Hors d'oeuvres/Canapes	1	2	9	11	6	6	7	14	18	33	35	**142**
Dressings & Vinegar	2	1	4	7	3	4	24	21	19	33	22	**140**
Meat Snacks	1	3	6	2	3	3	7	9	25	44	32	**135**
Flavoured Milk	0	2	4	6	9	17	9	15	13	18	13	**106**
Instant Noodles	1	1	7	3	4	2	8	9	3	17	24	**79**
Total	**70**	**128**	**206**	**157**	**138**	**193**	**289**	**312**	**363**	**598**	**572**	**3,026**

Product Launch Type

The majority of the new launches (44%) were completely new products being introduced to the market, followed by new variety/range extensions (41.37%), and those that were newly packaged (12.62%)(*See figure 6*) .

Figure 6: Pulse Ingredients in New Products by Launch Type (%), January 2005 – December 2015



Source for both: *Mintel Global New Products Database, 2016*

Product Claims

Over 14% of the new products released were positioned as having no additives/ preservatives, which was by far the most frequently occurring claim. Other leading claims represented fairly small proportions of the total launches, including time/speed (6.7%), microwavable (5.62%), baby and toddlers (4.89%), and low/no/reduced sugar (4.73%) (*See figure 7*).

"No additive/preservatives" was the top claim in most of the categories, while "time/speed" was used most frequently by products in the meal and meals centers and breakfast cereal category. The "suitable for babies and toddlers 0-4" claim was most prominent within the baby food category (*See figure 8*).

Figure 7: Pulse Ingredient Product Releases, by Top 30 Claims, January 2005 – December 2015

Claim	Number of Products	% of Products
No Additives/Preservatives	425	14.04
Time/Speed	205	6.77
Microwaveable	170	5.62
Babies & Toddlers (0-4)	148	4.89
Low/No/Reduced Sugar	143	4.73
Seasonal	134	4.43
Ease of Use	133	4.40
Halal	131	4.33
Other (Functional)	107	3.54
Vitamin/Mineral Fortified	105	3.47
Children (5-12)	98	3.24
High/Added Fiber	76	2.51
Added Calcium	73	2.41
On-the-Go	66	2.18
Social Media	64	2.12
Vegetarian	61	2.02
Convenient Packaging	60	1.98
Economy	54	1.78
Brain & Nervous System (Functional)	51	1.69
Digestive (Functional)	50	1.65
Ethical - Environmentally Friendly Package	49	1.62
Bone Health	35	1.16
High Protein	33	1.09
Low/No/Reduced Transfat	32	1.06
GMO-Free	27	0.89
Ethical - Environmentally Friendly Product	27	0.89
Organic	26	0.86
Prebiotic	25	0.83
Low/No/Reduced Cholesterol	20	0.66
Seniors (aged 55+)	19	0.63%
Total	**3,026**	**100.00%**

Source: *Mintel Global New Products Database, 2016* ***Note:*** *Brands may use more than one claim in describing the product.*

Figure 8: Top 5 Claims Used in New Pulse Ingredient Products by Category
January 2005 – December 2015

Category	No Additives/ Preservatives	Time/Speed	Microwaveable	Babies & Toddlers (0-4)	Low/No/Reduced Sugar	Total
Snacks	101	13	78	0	7	828
Bakery	22	2	15	0	39	654
Meals & Meal Centers	44	68	56	0	19	347
Breakfast Cereals	28	82	2	0	49	252
Dairy	58	12	3	0	13	208
Desserts & Ice Cream	28	6	6	0	4	183
Sauces & Seasonings	35	1	0	0	0	182
Baby Food	72	13	1	147	6	150
Sugar & Gum Confectionery	3	0	0	0	4	77
Side Dishes	12	6	4	0	0	46
Total	425	205	170	148	143	3,026

Source: *Mintel Global New Products Database, 2016*

TOP COMPANIES AND BRANDS

Products incorporating pulse ingredients are largely dominated by branded products, which represented 96.4% of the new releases, whereas only 3.6% of the introductions were released under a private label. However, there is no one dominant brand, with the top 20 (*See figure 9*).

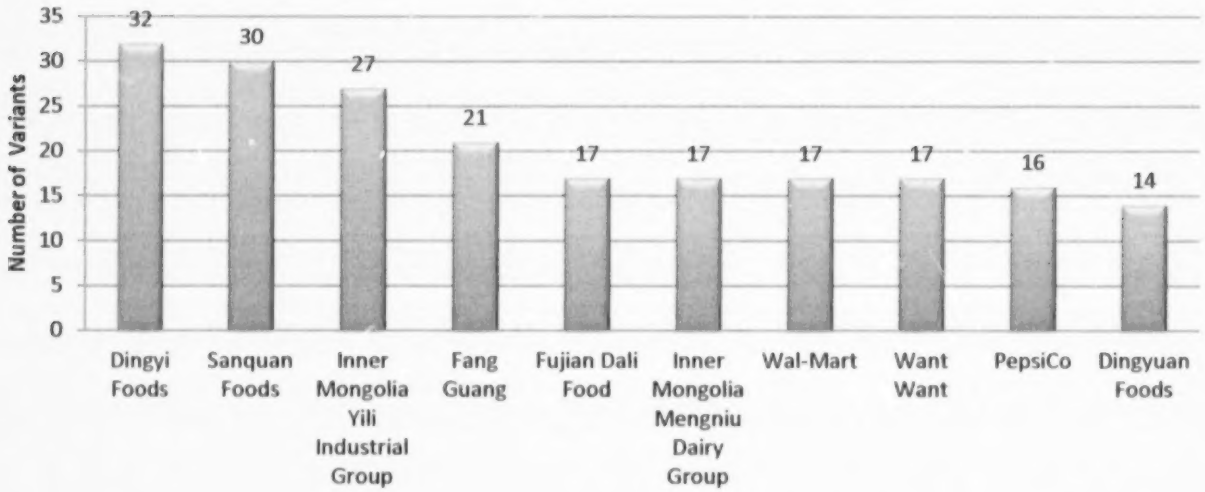
There is no one company that dominates in terms of manufacturing or launching new products with pulse ingredients, with the top 10 only representing a combined 10.4% of the total launches. Each holding very small shares, Sanquan Foods (1.0%), Inner Mongolia Yili Industrial Group (0.8%) and Xiamen Yinlu Foods (0.7%) were the top companies over the period (*See figure 10*).

Figure 9: New Products Containing Pulses by Top 20 Brands, January 2005 – December 2015

Brand	Number of Products
Fuwa	19
Great Value	19
MasterKong	16
Daliyuan	14
Meiji	12
Our Joy	12
Sanquan / San Quan	12
Beingmate	11
Donghu	11
Kou Shui Wa	11
Tesco	11
Hsu Fu Chi	10
Kam Yuen / Ganyuan	10
Yinlu	10
Youme	10
Heinz	9
Sau Tao	9
Shuita	9
Synear	9
Taizhiwei / Tai Zhi Wei	9
Total	3,026

Source: *Mintel Global New Products Database, 2016*

Figure 10: New Products Containing Pulses by Top 10 Companies, January 2005 – December 2015



PRODUCT EXAMPLES

Company: Liaoning Green Fangshan Organic Food Co., China
Brand: Green Fangshan
Launch Type: New Variety/Range Extension
Storage: Shelf stable
Price: US$2.66
Pack Size: 400.00 g / 400.00 g
Date Published: Dec 2015

Product Description
Green Fangshan You Ji Hei Dou (Organic Black Beans) are organic certified by COFCC. This product retails in a 400g pack.

Ingredients On Pack organic black bean

Company Koushuiwa Foods, China
Brand Kou Shui Wa
Category Snacks > Vegetable Snacks
Launch Type New Packaging
Storage Shelf stable
Price US$0.91
Pack Size 88.00 g / 88.00 g
Date Published Jan 2016
Product Description
Kou Shui Wa Xiang La Wei Qing Wan Dou (Spicy Green Peas) have been repackaged. This product is now available in a newly designed 88g pack containing individually wrapped sachets.

Ingredients on Pack
Pea, vegetable oil, spicy flavouring (white granulated sugar, salt, spices (irradiated), monosodium glutamate, soy sauce powder (brewed soy sauce, maltodextrin, salt, monosodium glutamate), maltodextrin, capsicum oleoresin, hydrolyzed vegetable protein.

Company: San Shu Gong Foods, Taiwan
Brand: Yuki & Love
Category: Bakery > Cakes, Pastries & Sweet Goods
Launch Type: New Product
Storage :Shelf stable
Price: US$1.56
Pack Size: 120.00 g / 120.00 g
Date Published: Nov 2015
Product Description
Yuki & Love Hei Dou Pai (Black Bean Pie) features a generous filling, which comprises sweet black beans and mellow milk.

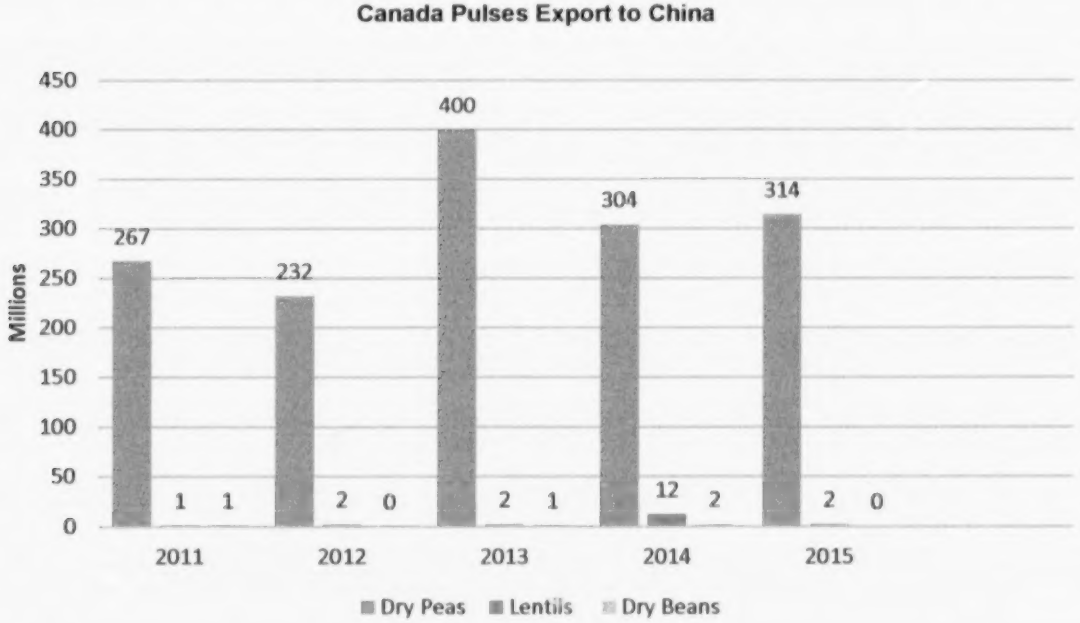
Ingredients on Pack
Maltose, white granulated sugar, wheat flour, hydroxy propyl distarch phosphate, vegetable oil (palm oil, canola oil, coconut oil), egg, water, whole milk powder, black bean, food flavouring, beta carotene, sodium bicarbonate, salt, potassium sorbate, xanthan gum, mono- and di-glycerides of fatty acids

Company Aletai Arman Dairy, China
Brand Arman
Category Hot Beverages > Malt & Other Hot Beverages
Launch Type New Product
Storage Shelf stable
Price US$1.41
Pack Size 360.00 g / 360.00 g
Date Published Jul 2014

Product Description
Arman Chickpea Powder is made with rare chickpeas and is most suitable for seniors. According to the manufacturer, chickpea contains amino acids, linoleic acids, fats, minerals and vitamins. This chickpea powder has been halal and green food certified.

CHINA'S TRADE WITH CANADA

Canada pulses export to China is dominated by dry peas products. In 2015 Canada exported C$316 million of dry peas, lentils and dry beans.



FOR MORE INFORMATION

International Trade Commissioners can provide Canadian industry with on-the-ground expertise regarding market potential, current conditions and local business contacts, and are an excellent point of contact for export advice.

- **Overview of Trade Commissioner Services in China**
  www.tradecommissioner.gc.ca/cn

- **Find a Trade Commissioner**
  www.tradecommissioner.gc.ca/eng/find-trade-contacts.jsp

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Mintel, 2016.

Innovation Series

NEW PRODUCTS CONTAINING PULSE INGREDIENTS IN CHINA

Global Analysis Report

Prepared by: Karim Zarrouki, Market Analyst

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